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LOUISIANA AIRPORT AUTHORITY

FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/09

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FINANCIAL SECTION

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A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Louisiana Airport Authority
LaPlace, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Louisiana Airport Authority (the "Authority"), as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Authority will continue as a going concern. As discussed in Note G to the financial statements, the Authority has suffered recurring significant reductions in grant revenue and unless additional funding is provided there is substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters also are described in Note G. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2008, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements.

Rebowe & Company

Metairie, Louisiana
November 6, 2008

REQUIRED SUPPLEMENTARY INFORMATION

LOUISIANA AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

The Management's Discussion and Analysis is intended to provide readers of the Louisiana Airport Authority's financial report with an overview and analysis of the financial activities of the Authority for the year ended June 30, 2008. It should be read in conjunction with the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at June 30, 2008 by \$192,159. Of this amount, \$187,235 may be used to meet the Authority's ongoing obligations to citizens and creditors as the unrestricted net asset balance is \$187,235.
- The Authority's total net assets increased by \$124,528. This increase is attributable to the favorable operating results for the year ended June 30, 2008.
- At June 30, 2008, the Authority's fund balance was \$188,581, an increase of \$124,358 compared to the prior year. The portion of the fund balance that is available for spending at the Authority's discretion was \$188,581.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis serves as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the Authority similar to a business enterprise. The statements combine and consolidate short-term spendable resources with capital assets and liabilities.

The Statement of Net Assets presents information on the Authority's assets less liabilities which results in net assets. The statement is designed to display the financial position of the Authority. Over time, increases or decreases in net assets help determine whether the Authority's financial position is improving or deteriorating.

The Statement of Activities provides information showing how the Authority's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the Authority that are financed by state grants and appropriations. The Authority's governmental activities included transportation and urban development expenses.

**LOUISIANA AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2008**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The Authority uses fund accounting to ensure and demonstrate fiscal accountability. The Authority uses governmental fund financial statements to provide more detailed information about the Authority's funds.

Governmental fund. A governmental fund is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains one governmental fund, the general fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for this fund.

The Authority adopts an annual budget for its general fund. A budgetary comparison statement has been provided for this fund in the basic financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

LOUISIANA AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. The following table reflects condensed information of the Authority's net assets.

	Statements of Net Assets	
	June 30	
	<u>2008</u>	<u>2007</u>
Current assets	\$ 206,969	\$ 71,187
Capital assets	<u>4,924</u>	<u>3,408</u>
Total assets	<u>211,893</u>	<u>74,595</u>
Current liabilities	<u>19,734</u>	<u>6,964</u>
Total liabilities	<u>19,734</u>	<u>6,964</u>
Net Assets		
Invested in capital assets, net of related debt	4,924	3,408
Unrestricted	<u>187,235</u>	<u>64,223</u>
Total net assets	<u>\$ 192,159</u>	<u>\$ 67,631</u>

The amount "invested in capital assets, net of related debt" represents the Authority's net book value of its capital assets. It is the accumulation of years of investments in capital assets. These assets are not available for spending. The remaining fund balance entitled "unrestricted net assets" may be used to meet the Authority's ongoing obligations to creditors.

Changes in net assets. The following table reflects condensed information on the Authority's revenues and expenses.

LOUISIANA AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2008

Statements of Activities

Year ended June 30

	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues:		
Operating grants and contributions	\$ 629,330	\$ 1,395,670
General revenues:		
Other income	<u>3,415</u>	<u>818</u>
Total revenues	<u>632,745</u>	<u>1,396,488</u>
Expenses		
Transportation and urban development	<u>508,217</u>	<u>1,482,327</u>
Total expenses	<u>508,217</u>	<u>1,482,327</u>
Change in net assets	124,528	(85,839)
Net assets – beginning of year	<u>67,631</u>	<u>153,470</u>
Net assets – end of year	<u>\$ 192,159</u>	<u>\$ 67,631</u>

Total revenues decreased by approximately 55% from the previous year due to a decrease in operating grants relating to Investment and Environmental Analysis revenue. Total expenses decreased by approximately 66% from the previous year due to a decrease in expenses attributable to the Environmental and Investment Analysis studies.

BUDGETARY HIGHLIGHTS

The Authority's general fund actual revenues exceeded budgeted revenues by \$3,415 or approximately .54%. This is due to income not budgeted by the Authority. The Authority's general fund actual expenditures were under budget by \$166,943 or approximately 24.72%. This is principally due to additional expenditures relating to the Environmental and Investment Analysis that were not budgeted.

LOUISIANA AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2008

CAPITAL ASSETS

The following table reflects the Authority's investment in capital assets, net of depreciation, as of June 30, 2008.

	Capital Assets	
	June 30	
	<u>2008</u>	<u>2007</u>
Furniture, fixtures and equipment	<u>\$ 4,924</u>	<u>\$ 3,408</u>
Total capital assets	<u>\$ 4,924</u>	<u>\$ 3,408</u>

The Authority purchased \$2,613 of equipment in the current year. Depreciation expense for the year ended June 30, 2008 was \$1,097.

ECONOMIC OUTLOOK

Legislation passed in the 2008 regular session of the Louisiana legislative body's calls for the Louisiana Airport Authority to complete most of its activities by May 1, 2009. No funding for the year ended June 30, 2009 was provided. Unless additional funding is provided, the Authority will likely complete its activities in the year ended June 30, 2009.

FURTHER INFORMATION

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Authority's office at (985) 652-3240 during office hours.

BASIC FINANCIAL STATEMENTS

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF NET ASSETS
June 30, 2008

ASSETS

Cash and cash equivalents	\$ 202,730
Prepaid insurance	4,064
Deposits	175
Capital assets, net of accumulated depreciation	<u>4,924</u>

Total Assets	<u>211,893</u>
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LIABILITIES

Accounts payable	15,827
Salaries payable	2,561
Compensated Absences Payable	<u>1,346</u>

Total Liabilities	<u>19,734</u>
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NET ASSETS

Invested in capital assets, net of related debt	4,924
Unrestricted	<u>187,235</u>

Total Net Assets	<u><u>\$ 192,159</u></u>
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The notes to the financial statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF ACTIVITIES
June 30, 2008

Function/Program	Program Revenues		Net Revenue and Changes in Net Assets
	Expenses	Operating Grants and Contributions	
Governmental Activities:			
Transportation and urban development	\$ 508,217	\$ 629,330	\$ 121,113
Total Governmental Activities	\$ 508,217	\$ 629,330	121,113
General revenues:			
Other Income			3,415
Total General Revenues			3,415
Change in Net Assets			124,528
Net Assets - beginning			67,631
Net Assets - ending			\$ 192,159

The notes to the financial statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2008

	<u>GENERAL FUND</u>
ASSETS	
Cash and cash equivalents	\$ 202,730
Prepaid expenses	4,064
Deposits	<u>175</u>
Total Assets	<u><u>\$ 206,969</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 15,827
Salaries payable	<u>2,561</u>
Total Liabilities	<u>18,388</u>
Fund Balance	
Unreserved, undesignated	<u>188,581</u>
Total Fund Balance	<u>188,581</u>
Total Liabilities and Fund Balance	<u><u>\$ 206,969</u></u>

The notes to the financial statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
June 30, 2008

	<u>GENERAL FUND</u>
REVENUES	
State budget funding	\$ 629,330
Other	<u>3,415</u>
Total Revenues	<u>632,745</u>
EXPENDITURES	
Current:	
Transit and urban development	<u>508,387</u>
Total Expenditures	<u>508,387</u>
NET CHANGE IN FUND BALANCE	124,358
FUND BALANCE, beginning	<u>64,223</u>
FUND BALANCE, ending	<u><u>\$ 188,581</u></u>

The notes to the financial statements are an integral part of this statement.

**LOUISIANA AIRPORT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES**

June 30, 2008

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balance - governmental fund	\$ 124,358
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Capital outlays are reported in governmental funds as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by which
depreciation exceeds capital outlays in the period.

Capital outlay	\$ 2,613	
Depreciation Expense	<u>(1,097)</u>	
		1,516

Compensated absences payable are reported as expenses in the government-wide
Statement of Activities. These expenses do not require the use of current financial
resources and therefore are not reported as expenditures in governmental funds.
This is the difference attributed to compensated absences.

(1,346)

Change in Net Assets of Governmental Activities

\$ 124,528

The notes to the financial statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State budget funding	\$ 750,000	\$ 629,330	\$ 629,330	\$ -
State budget matching	-	-	-	-
Other	-	-	3,415	3,415
Total Revenues	<u>750,000</u>	<u>629,330</u>	<u>632,745</u>	<u>3,415</u>
EXPENDITURES				
Current:				
Transit and urban development	<u>750,000</u>	<u>675,330</u>	<u>508,387</u>	<u>166,943</u>
Total Expenditures	<u>750,000</u>	<u>675,330</u>	<u>508,387</u>	<u>166,943</u>
NET CHANGE IN FUND BALANCES	-	(46,000)	124,358	170,358
FUND BALANCES, beginning	<u>150,618</u>	<u>68,468</u>	<u>64,223</u>	<u>(4,245)</u>
FUND BALANCES, ending	<u>\$ 150,618</u>	<u>\$ 22,468</u>	<u>\$ 188,581</u>	<u>\$ 166,113</u>

The notes to the financial statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Louisiana Airport Authority (the "Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

1. Reporting Entity

The Louisiana Airport Authority was created in 1992 under the provisions of the Louisiana Revised Statutes of 1950 (R.S. 2:650-661). The Authority is governed by a Board of Commissioners. The Louisiana Airport Authority is a non-profit (quasi governmental) entity created to aid in the development of an inter-modal, transportation facility to be located in Ascension, Assumption and Iberville Parishes by conducting and coordinating feasibility and developmental studies, as well as attract and obtain investors. The planned development will contain facilities to accommodate air, rail and truck traffic. During the research stage of the project, the entity was funded with Federal and state grants.

The accompanying financial statements include government activities, organizations, and functions for which the Authority is financially accountable.

2. Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of this measurement focus is the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with the government's activities are reported. Fund equity is classified as net assets. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, the Statement of Net Assets and Statement of Activities present revenues, expenses, and capital asset acquisitions as follows:

Revenues -	Revenues are recognized in the accounting period in which they are earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.
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LOUISIANA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses - Expenses are recorded when the liability is incurred or economic asset is used, regardless of the timing of related cash flows.

Capital Assets - All capital assets are valued at historical cost, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

The Authority reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Fund Financial Statements

The Authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The funds of the Authority are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all of the Authority's general activities. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

LOUISIANA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Revenues susceptible to accrual are intergovernmental revenues.

The Authority has one governmental fund, the General Fund, which is used to account for all of its operating activities.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Authority has elected not to follow subsequent private-sector guidance.

4. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the investment in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool (LAMP).

5. Receivables

All receivables were considered fully collectible at year end, therefore, no allowance has been provided.

6. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

7. Capital Assets and Depreciation

In the government-wide financial statements, capital assets are recorded at cost in the Statement of Net Assets. Donated assets are valued at their estimated fair market value on the date received. The Authority does not have any infrastructure assets. Depreciation is computed using the straight line method over the following useful lives:

LOUISIANA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<u>Description</u>	<u>Estimated Lives</u>
Office Furniture, Fixtures and Equipment	5 years

Capital asset acquisition costs are reflected as expenditures in governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

8. Compensated Absences

The Director receives three weeks (15 days) of paid vacation each year and one week (5 days) sick/personal days per year. All other employees receive two weeks (10 days) of paid vacation each year and one week (5 days) sick/personal days per year. Up to one week of sick leave and three weeks of vacation can be accrued for the Director, but it must be used during the following year or it is lost. Up to one week of sick leave and two weeks of vacation can be accrued for other employees, but it must be used during the following year or it is lost.

9. Net Assets

In the government-wide financial statements, equity is classified as net assets and displayed as follows:

- a) Invested in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Unrestricted - all other net assets that do not meet the definition of “invested in capital assets, net of related debt”.

10. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

LOUISIANA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2008

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Formal budgetary accounting is employed as a management control device during the year for the General Fund. Budgeted amounts are as originally adopted or as finally amended by resolutions or motions of the Board through June 30, 2008.

The level of budgetary control is at the function level. Expenditures may not exceed appropriations until additional appropriations are provided. Appropriations which are not expended lapse at the end of each fiscal year.

The budget for the General Fund is adopted on the accrual basis of accounting.

NOTE C - CASH

At June 30, 2008, the carrying amount of the Authority's cash deposits was \$202,730 and the bank balances totaled \$216,470. The Authority is FDIC insured and any excess over FDIC insurance is collateralized by its fiscal agent.

NOTE D - CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended June 30, 2008:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Governmental Activities:				
Capital assets being				
Depreciated:				
Furniture, fixtures and				
Equipment	\$ 22,073	\$ 2,613	\$ -	\$ 24,686
Less accumulated				
depreciation	<u>(18,665)</u>	<u>(1,097)</u>	<u>-</u>	<u>(19,762)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 3,408</u>	<u>\$ 1,516</u>	<u>\$ -</u>	<u>\$ 4,924</u>

Depreciation expense in the amount of \$1,097 was charged to the transportation and urban development function of the Authority.

NOTE E - OPERATING LEASE

The Authority is obligated under an operating lease for office space. The lease is considered to be an operating lease for accounting purposes. Lease expenditures for the year ended June 30, 2008 amounted to \$10,800. This lease is on a month to month basis through November 15, 2008.

LOUISIANA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2008

NOTE F - ECONOMIC DEPENDENCY

All of the Authority's support has been received from State appropriations. This money has been appropriated annually by the State of Louisiana.

Legislation passed in the 2008 regular session of the Louisiana legislative bodies calls for the Louisiana Airport Authority to complete most of its activities by May 1, 2009. No funding for the year ended June 30, 2009 was provided. Unless additional funding is provided, the Authority will likely complete its activities in the year ended June 30, 2009.

NOTE G - GOING CONCERN

The Authority has suffered recurring significant reductions in grant revenue and unless additional funding is provided there is substantial doubt about its ability to continue as a going concern. Governor Bobby Jindal has assigned eleven (11) new commissioners to the board, and the first meeting took place on November 19, 2008. The Authority does not have the financial means necessary to continue operations without additional funding. Management plans to keep the office open until December 2008. The Department of Economic Development will report to the Joint Legislative Committee in the next legislative session in May of 2009 to determine if the Authority will continue forward with the project or cease all operations.

REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

REBOWE & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Louisiana Airport Authority
LaPlace, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Louisiana Airport Authority (the "Authority") as of and for the year ended June 30, 2008, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 6, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, the Board of Commissioners, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

Metairie, LA
November 6, 2008

LOUISIANA AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Louisiana Airport Authority.
2. No reportable conditions in internal control over financial reporting are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance that are required to be reported in accordance with *Government Auditing Standards*.
4. A management letter was not issued for the year ended June 30, 2008.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

LOUISIANA AIRPORT AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2008

A. FINDINGS – FINANCIAL STATEMENT AUDIT

There was one finding for the year ended June 30, 2007

2007-01 Filing of Audit Report

Condition and Criteria - The Louisiana Airport Authority did not submit the audit report to the Legislative Auditor by the due date of December 31, 2007.

Effect - The audit report was not submitted by the due date of December 31, 2007.

Cause - The audit was not completed until February 13, 2008 at which time audit confirmation procedures were completed.

Recommendation - No specific recommendation is necessary because the reason for the delay should not be a problem for future periods.

Management's Response - The reason for the delay was beyond our control. We will file future reports by the required due date as we have in past years.

Status- Comment resolved. No current year finding.

B. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2007.

**LOUISIANA AIRPORT AUTHORITY
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2008**

There were no findings in the current year therefore there is no corrective action plan.